

ORDINANCE 2019-13
AUTHORIZING THE TOWNSHIP OF FLORENCE, IN THE COUNTY OF
BURLINGTON, NEW JERSEY TO ENTER INTO A FINANCIAL AGREEMENT
BETWEEN THE TOWNSHIP AND BCF FLORENCE URBAN RENEWAL II, L.L.C.
FOR CERTAIN PROPERTY WITHIN THE ROUTE 130 REDEVELOPMENT AREA

WHEREAS, on October 21, 2009 the Township Council of the Township of Florence, in the County of Burlington, New Jersey (the "Township") adopted a resolution declaring designated blocks and lots fronting Route 130 within the Township as an "Area In Need of Redevelopment" (the "Route 130 Corridor Redevelopment Area" or "Redevelopment Area") ; and

WHEREAS, the Local Redevelopment and Housing Law (N.J.S.A. 40A:12A-1 *et seq.*, the "Act") provides a procedure for the adoption of a redevelopment plan for all or a portion of a duly designated redevelopment area; and

WHEREAS, in 2012, then Block 160.01, Lots 2.01, 8, 9, 10.01, 20, 21 and 22 within the Township ("Parcel A" and now a portion of Block 160.01, Lot 1.01) are located in the Route 130 Corridor Redevelopment Area; and

WHEREAS, Parcel A was the subject of a Redevelopment Plan adopted by the Township via Ordinance 2012-33 on November 19, 2012 (the "2012 Redevelopment Plan"), which plan provided for a first phase consisting of Building "A" in the approximate size of 180,000 to 198,000 square feet and appurtenant site improvements, including highway access improvements and a second phase consisting of future expansion for a total building size of up to 270,000 square feet and appurtenant site improvements; and

WHEREAS, an office building of approximately 218,325 square feet (including a basement level of 43,758 square feet) has been constructed on Parcel A in accordance with the 2012 Redevelopment Plan, together with site improvements, 826 parking stalls and highway access; and

WHEREAS, Township Block 160.01, Lots 1.03, 14 and 15 as each existed in 2012 and now a portion of Block 160.01, Lot 1.01 ("Parcel B") are located within the Route 130 Corridor Redevelopment Area (with Lots 14 and 15 being consolidated into Lot 1.03 on the current Tax Maps of the Township); and

WHEREAS, Parcel B was the subject of a Redevelopment Plan adopted by the Township via Ordinance 2013-10 on July 17, 2013 (the "2013 Redevelopment Plan"), which would have allowed for the development of a mid-rise business class hotel and related "pad restaurant" site; and

WHEREAS, since the adoption of the 2013 Redevelopment Plan, the Township has received requests and has authorized the construction of two other business class hotels on property other than Parcel B but in proximity to Parcel B; and

WHEREAS, Block 160.01, Lot 1.04 ("Parcel C") is located within the Route 130 Corridor Redevelopment Area and has not been the subject of any development applications to date; and

WHEREAS, each of Parcels A, B and C are under the ownership umbrella of Burlington Stores (the "Property Owner") which continues to propose beneficial and productive uses for the undeveloped portions of Parcels A, B and C and believe that the original hotel development envisioned in the 2013 Redevelopment Plan is no longer viable given the two additional business class hotels subsequently approved by the Township; and

WHEREAS, the Township worked with the Property Owner to allow for continued development of Parcels A, B and C in a consistent and beneficial manner to the business needs of the Property Owner and the needs of the community as a whole; and

WHEREAS, Environmental Resolutions, Inc., licensed professional planners employed by the Township, developed a draft redevelopment plan for the Property, dated September 12, 2018 (the "Amended Redevelopment Plan") to permit development on the Property in a manner that is beneficial to the Township and consistent with the vision for the Route 130 Corridor Redevelopment Area; and

WHEREAS, on December 19, 2019, following all required legal referrals, reviews and public hearings, the Township Council adopted Ordinance 2018-30 which adopted the Amended Redevelopment Plan; and

WHEREAS, a 49.07 acre portion of Lot 1.01 in Block 160.01 on the Tax Map of Township of Florence previously identified as Parcel A and a portion of Parcel B (the "**Property**") is located in the Route 130 Corridor Redevelopment Area; and

WHEREAS, the Property Owner has proposed to construct or cause to be constructed by BCF Florence Urban Renewal, L.L.C. II, an Urban Renewal Entity (the "**Entity**") to be duly organized and created under the Long Term Tax Exemption Law, codified at N.J.S.A. 40A:20-1 et seq. (the "**LTTE**"), a facility on a portion of the property consisting of Phase II of its corporate headquarters and other uses permitted by applicable zoning and the Redevelopment Plan (the "**Project**") which will be owned by the Entity; and

WHEREAS, on May 14, 2019, the Property Owner, on behalf of the Entity, filed an application (the "**Application**") with the Township for a tax exemption for the improvements to be constructed within the Project (the "**Improvements**") under the LTTE; and

WHEREAS, the Improvements will consist, more or less, of an expansion of an existing 198,000 square foot building to include a 217,617 addition to the existing office building (with the understanding that approximately 175,766 square feet will be improved for use as office space and related amenities and the remaining 41,950 square feet consisting of the "basement level" will not be improved and used for office space), together with reconfigured parking and stormwater management facilities and the construction of additional parking, stormwater management facilities, lighting and landscaping as permitted by applicable zoning and the redevelopment plan; and

WHEREAS, the Application stated and demonstrated that Project would not be viable without the tax exemption due in part to the current economy and due in part to the costs associated with the highway improvements and related site work; and

WHEREAS, the Township has concluded that (i) the current economic conditions and the costs of highway access improvements do not support development at the scale desired under the Redevelopment Plan, and (ii) that the Project will result in a direct benefit for the health, welfare and financial well-being of the Township because it allows for redevelopment of the Property into productive, useful and job-creating property. In addition, it has been determined that the Project will not move forward without the inducements contained in this agreement. Further:

- a. The costs associated with the tax exemption granted herein are minimal compared to the total Project cost of approximately \$40,000,000.00 (including "soft" costs), and the benefit created

in the first several years by approximately 250-300 temporary construction jobs and up to 800 permanent jobs with the potential for additional jobs over the life of this Agreement.

- b. Without the tax exemption granted herein, the Entity will not proceed with the Project. This agreement is a material inducement to the construction of the Project.
- c. The projected investment and job estimates are a material consideration to the Township in granting the exemption and the payment of the Annual Service Charge as set forth in the Financial Agreement (as hereinafter defined).

WHEREAS, to promote the viability of the Project and based on the Application, the Township desires to grant the requested tax exemption and approve a schedule of payments in lieu of taxes in accordance with the terms and provisions set forth in the financial agreement attached hereto as Exhibit A (the “Financial Agreement”); and

WHEREAS, the LTTE permits the use of financial agreements between municipalities and urban renewal entities to advance projects implementing a redevelopment plan for a duly designated redevelopment area; and

WHEREAS, the Project would be located in the Route 130 Redevelopment Area and would be constructed in accordance with the Redevelopment Plan; and

WHEREAS, the LTTE further requires that financial agreements entered into pursuant to its terms be approved by a municipal ordinance; and

WHEREAS, the Township Committee desires to approve the Financial Agreement and authorize the Mayor to execute the same;

NOW THEREFORE BE IT ORDAINED BY THE TOWNSHIP COMMITTEE OF THE TOWNSHIP OF FLORENCE as follows:

Section 1. Recitals. The recitals are fully incorporated herein.

Section 2. Approval of the Financial Agreement. The Financial Agreement substantially in the form attached hereto as Exhibit A, together with any non-substantive changes as may be required, are hereby approved.

Section 3. Execution of the Financial Agreement. The Mayor of the Township of Florence, in the County of Burlington (the "Mayor") is hereby authorized and directed, upon satisfaction of all the legal conditions precedent to the execution and delivery by the Township of the Financial Agreement, to execute the Financial Agreement in substantially the form of the draft attached hereto and with such non-substantive changes, insertions and omissions thereto as the Mayor, after consultation with counsel to the Township, deems in the Mayor's sole discretion to be necessary or desirable for the execution thereof, which execution thereof shall conclusively evidence the Mayor's consent to any such changes thereto.

Section 4. Attestation and Sealing of the Financial Agreement. The Clerk of the Township is hereby authorized and directed, upon the execution of the Financial Agreement in accordance with the terms of Section 3 hereof, to attest to the signature of the Mayor upon such document and is

hereby further authorized and directed thereupon affix the corporate seal of the Township upon such document.

Section 5. Implementation of the Financial Agreement. Upon the execution and attestation and placing of the seal on the Financial Agreement as contemplated by Sections 3 and 4 hereof, the Mayor and Township Administrator, together with the necessary staff and professionals of the Township, are hereby authorized and directed to (i) deliver the fully executed, attested and sealed document to the other parties thereto and (ii) perform such other actions as the Township Administrator deems necessary or desirable in relation to the execution and delivery of the Financial Agreement.

Section 6. Severability. If any part of this Ordinance shall be deemed invalid, such parts shall be severed and the invalidity thereby shall not affect the remaining parts of this Ordinance.

Section 7. Availability Of The Ordinance. A copy of this Ordinance shall be available for public inspection at the offices of the Township.

Section 8. Effective Date. This ordinance shall take effect in accordance law.

Jerry Sandusky, Council President

I, Nancy Erlston, Township Clerk of the Township of Florence, Burlington County, New Jersey, do hereby certify the foregoing to be a true and exact copy of the ordinance which was finally adopted by the Township Committee at a meeting held on the _____ day of _____, 2019.

Nancy Erlston, RMC
Township Clerk

EXHIBIT A

FORM OF FINANCIAL AGREEMENT

FLORENCE TOWNSHIP
ORDINANCE 2019-13
NOTICE OF PENDING ORDINANCE AND SUMMARY

PUBLIC NOTICE IS HEREBY GIVEN that an ordinance, the summary terms of which are included herein, was duly introduced and passed upon first reading at a regular meeting of the Township Council of the Township of Florence, in the County of Burlington, New Jersey, held on May 15, 2019. It will be further considered for final passage and adoption, after public hearing thereon, at a regular meeting of said Township Council to be held in the Municipal Building, 711 Broad Street, Florence, New Jersey on June 5, 2019 at 8:00 o'clock p.m. During the week prior to and up to and including the date of such meeting, copies of the full ordinance will be made available at no cost and during regular business hours, at the Township Clerk's office in the Municipal Building to the members of the general public who shall request the same. The summary of the terms of such ordinance follows:

Title: **ORDINANCE AUTHORIZING THE TOWNSHIP OF FLORENCE, IN THE COUNTY OF BURLINGTON, NEW JERSEY TO ENTER INTO A FINANCIAL AGREEMENT BETWEEN THE TOWNSHIP AND BCF FLORENCE URBAN RENEWAL II, L.L.C. FOR CERTAIN PROPERTY WITHIN THE ROUTE 130 REDEVELOPMENT AREA**

Summary: Block 160.01, Lots 1.01 within the Township of Florence, Burlington County, New Jersey (the "Redevelopment Parcels") comprise approximately 129.6 acres of property located within the Route 130 Redevelopment Area. In 2018, the Township adopted an Amended Redevelopment Plan to allow the construction of a 217,617 square foot expansion to the corporate headquarters for Burlington Stores to be constructed on the Redevelopment Parcels.

This ordinance would approve a tax exemption for certain improvements to be constructed on the Redevelopment Parcels, consisting of, more or less, of an expansion of an existing 198,000 square foot building to include a 217,617 square feet addition to the existing office building (with the understanding that approximately 175,766 square feet will be improved for use as office space and related amenities and the remaining 41,950 square feet consisting of the "basement level" will not be improved and used for office space), together with reconfigured parking and stormwater management facilities and the construction of additional parking, stormwater management facilities, lighting and landscaping. In exchange for the tax exemption for the improvements, the Township would receive scheduled payments in lieu of taxes (called "Annual Service Charges") pursuant to a Financial Agreement to be approved by the Ordinance. The term for the Tax Exemption would be 30 years from the date the certificates of occupancy are issued for the Improvements. The authorization for the Township to enter into the Financial Agreement is granted under Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., which authorizes financial agreements as an incentive to construct projects in accordance with a redevelopment plan.

Copies of the Ordinance, the Financial Agreement to be approved thereunder and the schedule of Annual Service Charges are available for public inspection in the Office of the Florence Township Clerk.

Nancy L. Erlston, RMC
Township Clerk